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Dollar Continues Plunge; U.S. Says It Has No Target

LATE NEWS

Austrian Parties Form Coalition

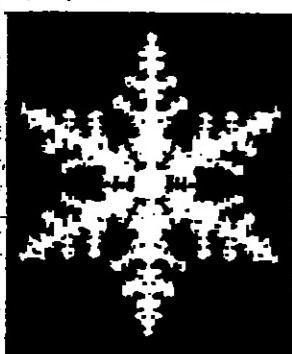
Vienna (AP) — The Socialists and the conservative People's Party agreed Wednesday to join in a "grand coalition," Chancellor Franz Vranitzky announced.

The decision followed more than eight weeks of negotiations between Austria's two largest parties, after elections on Nov. 23 left neither party strong enough to govern alone.

CBS Elects Officers

NEW YORK (AP) — The board of CBS Inc. unanimously elected William S. Paley on Wednesday as chairman and Laurence A. Tisch as president and chief executive. Both men had held the titles on an acting basis since September.

INSIDE TODAY



No, it's no flake, but a computer simulation of a snowflake — part of science's attempt to understand nature's winter riddle. Science, Page 7.

GENERAL NEWS

Iran said it has opened a new war against Iraq. Page 2. The U.S. Supreme Court held a law providing pregnancy leave for workers. Page 3.

BUSINESS/FINANCE

U.S. retail sales, aided by auto sales and Christmas shopping, rose a near-record 4.4 percent in December. Page 9. The U.S. Supreme Court allowed national banks to establish discount securities brokerage offices. Page 9.

By Ferdinand Prozmann
International Herald Tribune

FRANKFURT — The dollar plunged again Wednesday after it was reported that the Reagan administration wants it to decline still further.

The report, later confirmed by the White House, reinforced the bearishness that has driven the U.S. currency to its lowest levels in more than six years.

In Asia, the dollar plummeted in hectic trading despite purchases of \$1 billion by the Bank of Japan. It closed in Tokyo at 1,8545 West German marks.

In London, the U.S. currency closed at 1,8410 DM, slightly above the day's trading low of 1,8355 DM, but down sharply from Tuesday's close of 1,8735. It closed at 153.45 yen in London, compared with 155.70.

In Frankfurt, it recovered slightly to 1,8633 DM at the fixing, down from 1,8810 Tuesday. In earlier trading the dollar had dropped to 1,8585.

The slide continued in New York. At midsession the dollar was quoted at 1,8323 DM, down almost 4 pfennigs from 1,8735 at the close Tuesday, and to 152.50 yen from 155.65.

The sudden acceleration of the dollar's descent has caused speculation that officials of the five leading industrial nations will meet in coming weeks to discuss developments.

But the U.S. Treasury denied Wednesday that plans for a meeting of the so-called Group of Five were being made.

Currency dealers said that the decline Wednesday was provoked by a New York Times article Tuesday quoting Reagan administration sources as saying they did not expect the government to try to halt the dollar's slide.

The sources cited the nation's trade deficit, which set a monthly record in December, and declined to say how far they thought the dollar should be allowed to fall.

Larry Speakes, the White House spokesman, confirmed the substance of the New York Times report on Wednesday.

"The dollar will fall in relation to other currencies, as it has, in a steady and coordinated manner," he said, "but we're not setting a target." He denied that the administration was trying to "talk the dollar down."

The administration was thought earlier to have set 1.90 DM as a target. But with that barrier breached, many monetary experts are forecasting historic lows for the dollar against the mark.

"We're looking for the dollar to drop to DM 1.65 and 155 yen by

See DOLLAR, Page 13



France Calls Out Troops to Clear Snow

Compiled by Our Staff From Dispatches

PARIS — France called out the army on Wednesday to help the country dig out of heavy snow, as freezing temperatures that have caused at least 130 deaths across Europe continued.

Road and rail transport remained disrupted by some of the worst winter weather in 25 years, and driving and walking in cities throughout Europe was hazardous. More people died, mainly on perilous roads, and some were found frozen to death.

The cold snap followed strikes in France by transport and utility workers that had brought power cuts to homes and businesses and

the Soviet Union, which is experiencing its worst January since 1950.

France reported five deaths on Wednesday, for a total of 14 since the cold wave began over the weekend. Prime Minister Jacques Chirac, who is also mayor of Paris, mobilized army troops to help clear the 5.5 inches (14 centimeters) of snow that fell on the French capital, the fourth heaviest on record.

The cold snap followed strikes in France by transport and utility workers that had brought power cuts to homes and businesses and disruption to commuters and travelers.

President François Mitterrand appealed to the army to help in efforts to feed and shelter the homeless. Some Metro stations in Paris were left open Tuesday night for the city's homeless.

Temperatures were about minus 10 degrees centigrade (14 degrees Fahrenheit) while winds up to 75 mph (120 kph) piled up snow drifts in the southwest, where 15 inches of snow fell since Tuesday afternoon.

Traffic in Paris was nearly immobilized Wednesday. Highways, including sections of the Mediterranean coastal road, were blocked by snow. All routes across the Pyrenees between France and Spain were impassable.

Britain reported at least 27 deaths, mainly of elderly people, from hypothermia, accidents or heart attacks brought on by the cold. Prime Minister Margaret Thatcher's government ordered emergency grants of £5 (\$7.50) a week to be given to retired people to help pay heating bills.

British Rail virtually suspended London area commuter services Wednesday morning because of snow, keeping up to 700,000 people from work. Police in several British regions urged people to stay home unless it was a "matter of life or death."

Food stores in Kent reported panic buying. Some remote villages in the area have been without fresh

See COLD, Page 6

Strains Raise New Concern About Reagan

By Martin Tolchin
New York Times Service

WASHINGTON — Congressional leaders long concerned about what they consider President Ronald Reagan's muddiness to detail say their concerns have been heightened in recent meetings with him at the White House.

The leaders, among them some of Mr. Reagan's political allies, note the strains on Mr. Reagan both from the crisis over arms sales to Iran and from recent presidential illnesses and surgery.

They mention the tensions generated by the Republican loss of the Senate in November, after Mr. Reagan had invested much of his time and prestige last fall trying to retain control. They also cite his status as a lame duck, which they say has emboldened some on Capitol Hill to declare open season on a managerial style that had served the president well.

Some say these new tensions merely exacerbated Mr. Reagan's long-established tendency to ignore the nuts and bolts of government. They stress that this has nothing to do with his age — the president will turn 76 next month — but is rather a reflection of a leadership style that has been evident since his days as governor of California.

His supporters argue that his ability to focus on broad objectives and not get bogged down in details has been one of his strengths as a leader. But now many politicians, including some Reagan allies, are not only more openly questioning the president's mastery of the fine points; they also are wondering if he comprehends some broader issues, at a time when perilous issues have emerged.

Shortly before Christmas, for instance, Mr. Reagan invited about 20 Republican congressional leaders to provide "input" into his State of the Union message.

Many of them left dismayed,



Ronald Reagan acknowledges applause from Treasury Secretary James A. Baker 3d, left, Attorney General

Edwin Meese 3d, and James Burly, deputy assistant secretary of transportation, after the first 1987 cabinet meeting.

At White House, Regan Recovers Footing

By Lou Cannon
and David Hoffman
Washington Post Service

WASHINGTON — Donald T. Regan, whose hold on his job as White House chief of staff seemed tenuous two weeks ago, is now secure in his position and moving to fill key White House vacancies with his personal choices, according to Reagan administration and Republican sources.

"Regan didn't want to make any moves while he was fighting for his own survival," a senior White House official said. "Now that he's fought off the demands for his resignation, he is putting his own stamp on the place."

Two White House officials said they also expected the White House communications director, Patrick J. Buchanan, to leave, possibly to campaign for the Republican presidential nomination. One of these officials said that Mr. Regan was displeased with Mr. Buchanan's attempt to blame the news media and Congress for damage suffered by President Ronald Reagan in the Iran arms controversy over the Iran arms sales and the diversion of funds to Nicaraguan rebels.

There would certainly be no objection from Regan if Buchanan decided to leave," a White House official said. "but no one is going to ask him to leave. The timing of the departure is up to Pat."

Another White House official said of Mr. Buchanan: "We assume he's on the way out the door, but he hasn't made a move yet." If Mr. Buchanan leaves, Mr. Regan is expected to fill the vacancy with his deputy, Dennis Thomas.

The White House political director, Mitchell E. Daniels Jr., is also expected to leave within the next few months, although he said Tuesday that he had made no decision to resign.

Early last month, Mr. Daniels told Mr. Regan that he should resign to help the president "fresh start" after the Iran arms controversy erupted. Despite this confrontation, officials said, Mr. Regan

has not pressured Mr. Daniels to leave.

One official said the chief of staff "respected Daniels for saying to his face what others were saying behind his back."

Mr. Regan's new assertion of authority comes as the president's physical activities have been severely limited, on doctors' orders, while he recovers from prostate surgery.

A White House official said Mr. Regan was frustrated by the restrictions but was given lots of reading material. "It's not hard to get through to him" with written communications, the official said, but personal contact is tightly restricted.

Mr. Regan, who presided Tuesday over a cabinet meeting, spends about one and a half hours in his office each morning and afternoon and the remainder of the day in the White House residence, officials said.

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Whither Strauss — Bavaria or Bonn?

Premier Campaigns for 'Emergence From Third Reich'

By James M. Markham
New York Times Service

AUGGEN, West Germany — It is the refrain that touches off the stormiest applause. Hunkered behind the podium, Franz Josef Strauss calls upon his compatriots to come out of "the shadows of the Third Reich" and be proud to be Germans again.

"We have to end the attempt to limit German history to the 12 years of Hitler — the representation of German history as an endless path of Germans' mistakes and crimes, criminalizing the Germans," the premier of Bavaria declared. "We must emerge from the dismal Third Reich and become a normal nation again."

The emphatic assertion of a German national identity comes naturally to the combative Mr. Strauss. In an election campaign lacking great suspense, one of the most consequential riddles is whether the conservative 71-year-old Bavarian's uncertain ambitions will carry him to Bonn as vice chancellor and as a political bull in a coalition chancery shop — after the vote Jan. 25.

Several thousand Black Forest vintners and farmers sat up straight on their tippy wooden benches and clapped, cheered and shouted as Mr. Strauss, in his recent speech, plunged forward with his message of patriotic renewal:

"The historical truth shows that Germans in monstrous numbers committed terrible crimes — and whoever denies this has lost his connection with reality. But it would be the same loss of reality to say that the Germans and their

allies did not suffer horrible crimes at the end of the war and after it."

To fulfill its vital role as a self-confident democracy at the heart of the North Atlantic Treaty Organization, Mr. Strauss contended, West Germany needs a strong national identity and an end to "the blockade of its return to historical normality."

"We don't want any totally fanatical nationalists, and nothing like a nation of youthful fanatical nationalists," he cried. "But instead of a nation of 60 million Nazis we don't want a nation of 60 million nihilists!"

The roomy agricultural exhibition hall boomed with applause.

His foes, and Mr. Strauss, are a man some Germans love to hate, ominously suggest that if he does come to Bonn he will give Chancellor Helmut Kohl's center-right co-

aliation a sharp shove to the right, reviving the spirit of the Cold War in foreign affairs and cracking down sharply on dissenters at home.

Hard-line statements prompted Mr. Kohl to declare Monday that an election victory for his coalition would not mean a rightward shift.

"We were concerned," said an aide to the chancellor, "that certain things said in the heat of the campaign might have clouded our policies. We didn't want there to be any doubt about this outside the country either."

It is an open secret that Mr. Strauss, who in the 1950s and '60s was variously minister for nuclear power, finance and defense, would dearly like to crown his long career by becoming foreign minister. But

See STRAUSS, Page 6



Franz Josef Strauss, Bavaria's premier, on campaign trail.

The Associated Press

Tehran Says Its Forces Have Opened 2d Front; Missile Hits Baghdad

Reuters
MANAMA, Bahrain — Iran said Wednesday that it had opened a second war front following a major thrust in southern Iraq and a missile attack on Baghdad, the third in four days.

Both sides reported inflicting heavy casualties in fighting on the central front, east of Baghdad and about 280 miles (450 kilometers) north of battle raging since Friday in southern Iraq.

Gulf-based diplomats said they believed that Iran wanted to open a second front to take pressure off its forces trying to move toward Basra, Iraq's second-largest city.

Iran said the "limited" operation north of the Iranian town of Sumar had succeeded in regaining some border territory held by Iraq since the first days of the war in September 1980.

Iraq said the Iranians had briefly occupied a small border post but the overnight offensive had been beaten back.

"The enemy offensive has failed and the invaders were defeated, leaving piles of corpses and large numbers of prisoners," an Iraqi communiqué said.

Residents in Baghdad said a surface-to-surface missile hit the city of about 4.5 million people at around midday Wednesday.

An Iraqi military spokesman said a number of civilians were killed or wounded and that several houses were destroyed. No precise death toll has been given for the three missile attacks since Sunday.

The developments coincide with Iranian calls for postponement of an Islamic summit meeting due to be held in Kuwait later this month. Both Iran and Iraq have been invited, but Iran says it will not attend because Kuwait is not neutral in the war.

The UN secretary-general, Javier Pérez de Cuellar, who was to travel to Kuwait for the Jan. 26-28 meeting, proposed on Tuesday an urgent Security Council meeting at the foreign minister level to try to end the war.

He said he was ready to go to Baghdad and Tehran if such visits could get negotiations under way. Iran says no peace is possible with the present Iraqi leadership.

Iraq said Tuesday that its forces had seized 34 square miles (100 square kilometers) of Iraqi land in its southern drive toward Basra.

Diplomats in Baghdad said Iran had also massed hundreds of thousands of regular troops opposite Iraq's Second Army Corps in the central sector.

The Iraqi communiqué said Iran had used regular army troops to spearhead a cross-border attack for the first time in the war.

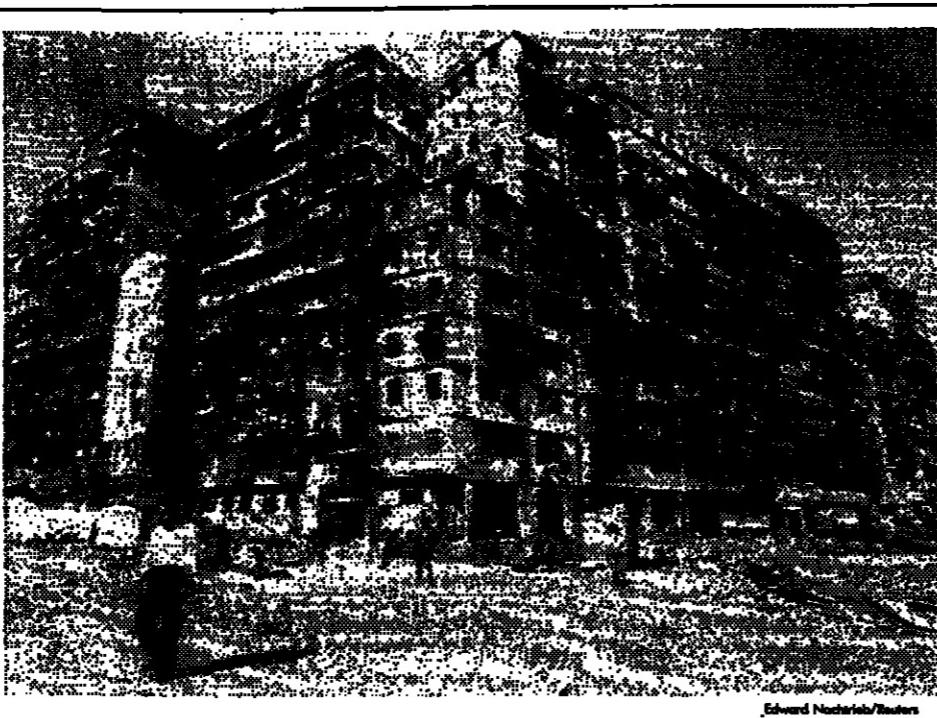
Tehran Radio said two Iraqi Soviet-made Tupolev bombers were shot down Wednesday over the southern front, bringing to 38 the number of Iraqi aircraft reported downed since Friday. Iraq has acknowledged the loss of six planes.

■ Iran Strikes at Kuwaitis

Iraq stepped up attacks Wednesday on Kuwait's oil lifeline through the Gulf with a fourth missile attack in nine days on tankers serving the emirate, Reuters reported from Kuwait.

Regional shipping sources said an Iranian warship fired a missile at the 16,745-ton Kuwaiti-owned tanker Sandiah, laden with 25,000 tons of refined oil, shortly after midnight in the southern Gulf.

An engine room fire raged for more than two hours and living quarters were damaged. But no casualties were reported among the crew of about 28, believed to be mainly Filipinos.



Edward Niedzwiecki/Reuters

Hong Kong to Tear Down a Landmark Slum

Hong Kong announced Wednesday that one of the colony's worst slums, known as the Walled City, would be torn down and replaced by a park. About 40,000 people are thought to live in the cluster of 12-story buildings north of the airport. The park project is expected to be completed by 1990.

Soviet Statement on Gulf Said to Show Tilt to Iraq, 'Direct Warning to Iran'

By Elaine Sciolino
New York Times Service

UNITED NATIONS, New York — An official Soviet statement on the Iran-Iraq war suggests that Moscow is tilting further toward Iraq while warning Iran, according to Western and Arab diplomats and experts on Iran.

The statement, issued simultaneously last week in the Soviet Union, several other nations and at the United Nations, also accuses the United States of having escalated the war by secretly selling weapons to Iran.

The Soviet statement was regarded here as the clearest, most detailed policy pronouncement to date by the Soviet Union on the six-year war.

It comes at a time when Iranian-Soviet relations are in flux because of the secret American arms sales to Iran and indications that the Kremlin may announce a withdrawal of some of its troops from Afghanistan. Iran has opposed Soviet involvement in Afghanistan.

The Soviet Union has previously taken great care in its public pronouncements to remain noncommittal on which side it supports in the war, both to hedge its bets in the event of an Iranian victory and to court Iran's leadership.

Although the Soviet Union re-

mains Iraq's largest arms supplier, it does not block the shipment of weapons to Iran by Libya, Syria, North Korea and the East bloc.

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Saudi Envoy In Beirut Disappears

Reuters

BEIRUT — A Saudi diplomat has disappeared in Moslem-controlled West Beirut and is feared to have been kidnapped, the police said Wednesday.

They said Bakr Damanhuri arrived at Beirut International Airport from Jeddah on Monday and disappeared between the airport road and his apartment.

No group for the abduction of Mr. Damanhuri, who is responsible for Saudi student affairs in Beirut.

Mr. Damanhuri's disappearance followed the kidnapping Tuesday of a French photographer, Roger Aucoc, which also has not been claimed by any group.

It also came as Terry Waite, the Church of England envoy, was continuing his mission in West Beirut in an attempt to gain the release of foreign hostages.

Saudi Arabia condemned what it said was Mr. Damanhuri's abduction.

"The kingdom deplores such terrorist actions and calls on Lebanon's relations to set quickly and free him," the Saudi Press Agency quoted an official as saying.

A special Arab League committee, meanwhile, met President Amin Gemayel on Wednesday for talks aimed at ending fighting between Palestinians and Shiite Moslem militiamen at refugee camps in Lebanon, official sources said.

Islam Threat Is Potential, Ozal Asserts

Reuters

ANKARA — Prime Minister Turgut Ozal said Wednesday that Islamic fundamentalism posed potential dangers to Turkey, but he said the threat was not immediate.

Mr. Ozal denied that he had a difference of opinion on the subject with President Kenan Evren, who called on the nation last week to unite against the threat of religious extremism.

"There is a potential danger of religious fundamentalism in Turkey," Mr. Ozal said at a press conference, "but it does not appear as a threat today."

A major public debate has taken place in Turkey since early this month, when university officials banned female students from covering their heads with turbans or scarves in accordance with Islamic tradition.

Students have staged hunger strikes and other protests and hundreds of people have sent telegrams to national leaders demanding that the ban be lifted.

Press reports on the controversy have contrasted Mr. Evren's tough stand with the lack of a clear position from Mr. Ozal.

"Presenting this as a fight between Evren and myself will bring good to nobody but will harm the country," Mr. Ozal said.

Turkey is a country which is progressing," he said. "Religious fundamentalism means going back. There is no chance of Turkey ever going back."

Almost all the Turkish people are Moslems, but the country's secular constitution demands separation of religion from state institutions, including universities.

Both Mr. Ozal and Mr. Evren's

spokesmen denied reports in two newspapers that senior generals had submitted a letter to the president expressing unease about religious activities and complaining of infiltration of the armed forces by Moslem fundamentalists.

Chad Puts Libyans on Display

100 Prisoners Paraded Before Press and Diplomats

By Jonathan C. Randal
Washington Post Service

NDJAMENA, Chad — Chad put more than 100 captured Libyans on display in the capital, Ndjamena, and called on the Libyan Army and people to overthrow their leader, Colonel Muammar Gadhafi.

The prisoners were paraded Tuesday onto the stage at the Foreign Ministry auditorium for a two-hour ceremony attended by the press, diplomatic corps and selected members of the Chadian elite.

Most of the prisoners, who were barefooted, appeared to be in good health. Chadian soldiers, however, carried one badly burned prisoner on a stretcher, and several other Libyans were clean bandages.

Only a week ago, the authorities had to cut short a similar ceremony when 22 of the same prisoners, many with bloodstained dressings and uniforms, were stoned by a large crowd.

Tuesday's calmer proceedings appeared aimed at convincing the outside world that for the first time in Chad's two decades of almost uninterrupted civil strife, the fighting pits Chadians not against each other but against Libya.

Rebels loyal to former President Goukouni Oueddei have recently joined government forces.

The entire ceremony was conducted in Arabic — apparently for use in radio broadcasts to Libya and in French, the language of most Chadians.

The prisoners showed no visible emotion as Information Minister Moumine Toghi Hamdi addressed them as "dear brothers" and "innocent victims" of Colonel Gadhafi's "anticolonial ambitions."

The minister said Colonel Gadhafi had turned Libya into a "police state," wasted its oil riches and reduced the population to tipping up for scarce necessities.

Chad, the minister said, respected the rule of law and the Geneva conventions governing prisoners of war, and had allowed the Libyans to communicate with their families through the International Committee of the Red Cross.

There was no apparent reaction among the prisoners when he pledged all "necessary aid" for the "Libyan army and people," whom he said should rise up and "free" Libya from Colonel Gadhafi's rule.

"They can count on our aid from the outset," he said. "For this work of salvation."

When the minister allowed journalists to ask questions, most of the prisoners brought before the microphone were circumspect, although they said they were being "well treated."

One 20-year-old Libyan captivated at Fada, asked what he thought of Libya's presence in Chad, said: "I was drafted. I carried out orders."

A bearded prisoner rattled off

his name, sent greetings to his family and said, "We should fight to free Palestine" from Israeli control, "not make trouble for Chad."

The authorities appeared pleased with the prisoners' performance. Toward the end, Chadian soldiers passed out cigarettes. That was the only time the captives showed any real animation, and some had to be prevented from pushing aside their fellow captives for fear that would not be enough cigarettes to go around.

■ Fighting Reported.

Chad said Wednesday that its forces destroyed a Libyan command post in the northern Tibesti mountains around Zouar, but said intensive Libyan bombing was continuing, The Associated Press reported.

WORLD BRIEFS

Kabul Says Truce Will Start Today

ISLAMABAD, Pakistan (Reuters) — The Afghan government's promised cease-fire in its seven-year war with Moslem guerrillas was to begin Thursday, the Afghan leader, Major General Najibullah, said in a broadcast over Kabul Radio, monitored here.

General Najibullah urged the guerrillas, who have rejected the cease-fire, to also stop fighting. The Soviet-backed government in Kabul has said the truce would last six months on condition that it was respected by the guerrillas.

In announcing the cease-fire on Jan. 3, General Najibullah promised the guerrillas an amnesty and peace talks and reiterated his pledge to form a coalition government that would include opposition figures.

Greek Workers Begin General Strike

ATHENS (Reuters) — Greek power workers stopped work on Wednesday before the 24-hour general strike scheduled for Thursday over demands for an end to a freeze on government wages.

The strike Wednesday, by about 30,000 electricity workers, resulted in power outages in Athens and northern Greece, where there is severe cold weather.

Two million government workers are expected to join the strike on Thursday. Virtually every sector of the Greek work force will be affected, including transport workers, teachers, pilots, bank clerks and judges. A Greek airports, except in Athens, will be closed, and most foreign flights will be canceled.

Gibraltar Talks End Without Accord

LONDON (AP) — Britain and Spain concluded on Wednesday a new round of talks on Gibraltar, but without satisfying Spain's claim to sovereignty over the British colony.

Britain's foreign secretary, Sir Geoffrey Howe, and Foreign Minister Francisco Fernández Ordóñez of Spain held talks Tuesday and Wednesday, and Mr. Ordóñez was later received by Prime Minister Margaret Thatcher.

The Foreign Office said there was a "full discussion" of the sovereignty issue, with Sir Geoffrey emphasizing Britain's commitment to honor the wishes of the 25,000 Gibraltarians, most of whom desire to remain British. The two foreign ministers noted some progress on cooperation between Spain and Gibraltar,

Law on Pregnancy Leave Upheld in U.S.

By Al Kamen
Washington Post Service

WASHINGTON — The Supreme Court has upheld a state law requiring employers to provide unpaid pregnancy leave to employees.

The 6-3 decision Tuesday upheld a California law similar to statutes in eight other states. The California law requires employers to give female workers an unpaid pregnancy disability leave of up to four months and guarantees that their jobs will be available when they return.

Lawyers on both sides said the decision in the case, which was being closely watched by business, labor and civil rights groups, was certain to encourage efforts in other states to pass similar laws.

The court, in an opinion by Justice Thurgood Marshall, rejected arguments by business groups and the Reagan administration that the California law violated the 1978 Pregnancy Disability Act. The 1978 law says pregnant workers must be treated the same as, but not better than, workers with other disabilities.

The Supreme Court agreed with a lower court decision that Congress did not intend the 1978 act to limit the benefits for pregnant women. It was, Justice Marshall wrote, only to "the floor beneath which pregnancy disability benefits may not drop—not a ceiling above which they may not rise."

The court's action concerned only periods in a pregnancy when a woman is physically unable to work and disability insurance would apply, as it does in cases of illness or injury.

In the case, California Federal Savings and Loan Association vs. Guerra, involved Lillian Garland, a receptionist at the Los Angeles-based savings and loan company who lost her job after taking three months' pregnancy leave. State officials charged the bank with violating the state law and the bank sued to have the law overturned.

In San Francisco, Mrs. Garland's attorney hailed the decision as "a landmark in establishing equal opportunity in the workplace." At a news conference Tues-



Lillian Garland, whose lawsuit resulted in the Supreme Court decision on pregnancy leave, facing a picture of her daughter at her new job at a real estate company in Los Angeles.

day afternoon, Patricia Shiu, an attorney for the Employment Law Center, said the ruling meant that "women can now be free to have children without confronting the risk of job loss and economic hardship."

Paula Connolly, an attorney for the U.S. Chamber of Commerce, said the chamber was "disappointed and surprised" by the decision.

"The way it is phrased," she said, "it seems to leave no limit on what the states can do in terms of favorable treatment. Preferential leave and reinstatement and even paid leave would be possible" under the ruling.

The ruling "gives a signal to states to enact preferential pregnancy-benefit laws," she said, and "I can't see them not doing so," given the increasing number of women of child-bearing age in the labor force.

■ Benefits in Europe

Although the pregnancy benefits granted by the law upheld Tuesday are generous by U.S. standards, far greater benefits are common in Western Europe, the International

Herald Tribune reported from Paris.

In countries belonging to the European Community, all working women are entitled to some paid leave during pregnancy and maternity.

In France, women are entitled to 16 weeks off with pay, in Belgium 22 weeks, and in Denmark 24 weeks. The women receive income varying from 60 percent to 90 percent of their salaries. In Greece, women receive 50 percent of their income for 12 weeks. But in West Germany, women receive a full salary for 14 weeks off, and in Italy women are entitled to five months off at full pay, with a further right to work part-time for a year after again at full pay.

A new mother's right to return to her previous position is guaranteed for up to two years in several countries, including France, Britain and some Scandinavian nations.

Army Minister 'Bell Jar' Movie Prompts Suit In Brazil Denies Coup Speculation

By Juan de Onis
International Herald Tribune

RIO DE JANEIRO — General Leonidas Pires Goisales, Brazil's army minister, has denied speculation that there might be a military coup, after a meeting with President José Sarney in Brasilia.

Governor Leonel Brizola of Rio de Janeiro state, a leftist opponent of Mr. Sarney, predicted Monday in a newspaper interview that the rapid rise in inflation following the relaxation of price controls in November would lead to dissatisfaction both in the labor unions and among businessmen.

"Sarney's government has lost national confidence," said Mr. Brizola. "There is danger of a military coup."

However, General Pires said Monday, after meeting with Mr. Sarney, that Mr. Brizola was a "poor analyst."

He added: "If Governor Brizola thinks there is a possibility of a coup, he does not know the reality of the Brazilian Army."

Mr. Brizola, the leader of the socialist Brazilian Democratic Worker Party, has presidential ambitions and has been promoting a national campaign to shorten Mr. Sarney's term.

In France, women are entitled to 16 weeks off with pay, in Belgium 22 weeks, and in Denmark 24 weeks. The women receive income varying from 60 percent to 90 percent of their salaries. In Greece, women receive 50 percent of their income for 12 weeks. But in West Germany, women receive a full salary for 14 weeks off, and in Italy women are entitled to five months off at full pay, with a further right to work part-time for a year after again at full pay.

On Wednesday, the 22 Brazilian state governors who are members of the Brazilian Democratic Movement, the main party in Mr. Sarney's centrist coalition government, met in Brasilia with Mr. Sarney and Finance Minister Dilson Fumaro.

Mr. Sarney wants the governors to endorse economic measures to contain an upsurge of inflation. Prices rose more than 7 percent in December and threatened a further increase of up to 15 percent this month.

Interest rates, in anticipation of the higher inflation, have soared to monthly rates of 12 percent to 15 percent, which would lead to annual rates of 500 percent if the trend is not reversed.

By Matthew L. Wald
New York Times Service

BOSTON — A Boston psychiatrist who says she is the basis for a character in Sylvia Plath's novel "The Bell Jar," has filed a lawsuit contending defamation, invasion of privacy and intentional infliction of emotional damage, growing out of a 1979 film version of the book.

The case, which is scheduled to be heard in U.S. District Court here later this week, sets the stage for a major test between the rights of artists to express themselves and the rights of individuals to privacy.

As such, the case may establish a precedent of unusual importance.

The psychiatrist, Dr. Jane V. Anderson, contends in her suit that she is the basis for Joan Gilling, a character in the novel and movie.

Dr. Anderson's attorney said she did not object to the representation of the character in Miss Plath's novel, but based her suit on a scene from the movie involving homosexual advances on the part of the Gilling character.

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Dr. Anderson's

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Now Iran Attacks Again

Winter is the season for warfare in the swamps and deserts along the rim of the Gulf, and the fighting has picked up again between Iran and Iraq. The Iraqis are far better armed, and their superior air power has succeeded in holding Iran's oil exports down to half the level of a year ago. But Iran has more infantrymen. Its population is larger by a ratio of nearly three to one, and that defines the deadlock that has prevailed since shortly after the war began more than six years ago.

The Iraqis are on the defensive, behind an extremely heavily armed line of fortifications. Iran has the initiative, constantly probing, throwing its foot soldiers against the enemy's lines with tactics and losses reminiscent of World War I. The Iranians have now pushed a little farther into Iraq near Basra. If they can hold their gain, it would be a significant show of strength, although not a crucial victory. If they cannot, they will try again somewhere else.

This war is the reality at the center of the Iran arms scandal in Washington. The Reagan administration says it sold Iran too little to have a significant effect on the outcome. But apparently the Iranian government thought otherwise, for it spent a

— THE WASHINGTON POST.

Telling China to China

Dismissals and denunciations of writers, university figures and others associated with the democracy protests in China are being reported in the official press, and the assumption is that reprimands with crushing effects on career prospects are going quietly into the files of student protesters. These are among the mean and vindictive ways a totalitarian government can control dissent without getting into the heavy-handed stuff that fires up people and looks bad abroad. The protesters themselves, in the nationwide demonstrations seen in the last six weeks, seem not only exceptionally brave but also determinedly orderly and even modest in their demands. A government with confidence in itself would not be harassing and punishing them as it is.

From all appearances, the protests arise from an appetite for democracy whetted by Deng Xiaoping's reformist program and by the word brought back home by the thousands of Chinese who have been studying overseas. Youthful idealism and the hardships of student life no doubt also play a role. In China, however, there is an old tradition of politicians' manipulation of protests staged by the students. Perhaps Mr. Deng figured the marches would generate demand for the changes by which he apparently hopes to break his dogmatic

— THE WASHINGTON POST.

'A Mistaken Friend'

New York's Cardinal John O'Connor is scarcely the first eminence to stumble over the loaded arguments in every visitor's path to the Middle East. He was obviously innocent of the ambivalence in his church's diplomacy concerning Israel. But the critics flung at him by Jewish organizations in New York is overwhelming — especially since Israel invited him at the urging of the very Jewish leaders now unhappy with an outcome that might have been predicted.

In a curious statement, the Jewish groups somehow fault the cardinal because the Holy See refuses to come to terms "with the reality of a unified Jerusalem as the capital of Israel." But the United States, along with most of the world's nations, also refuse to recognize Jerusalem as capital.

It is as if his critics wanted Cardinal O'Connor to be holier than the pope, as well as the State Department, on the vexed question of Israel's 1967 annexation of East Jerusalem. And if the cardinal's views on Palestinian rights do not square exactly with those of many Israelis, so what?

Granted, the Holy See absurdly insists

— THE NEW YORK TIMES.

Other Comment

Don't Press Japan to Rearm

All considered, Japan's reluctance to build military power commensurate with its economic strength is a good thing.

The Soviet military threat to Japan has grown in recent years. The Soviet Union now deploys 41 divisions east of Lake Baikal. It has more than 160 SS-20 nuclear missiles aimed at Asian targets; 2,400 combat aircraft, including 85 long-range bombers, and a large Pacific fleet.

Under prodding from the United States, which is overextended in the Pacific area, Japanese military spending has been going up. Mr. Nakasone has gone far beyond his predecessors in frankly recognizing Japan's responsibility to build military forces capable of repelling a limited Soviet attack — or holding off a major Soviet thrust until U.S. military power could be brought to bear.

Even if the five-year defense plan is fully implemented, Japanese military spending will climb to only 1.4 percent of GNP by 1991, and Japan will still be incapable of defending against a non-nuclear Soviet attack without massive American help.

It would be unwise, however, to press for a major acceleration of Japanese rearmament as some kind of substitute for satisfactory adjustment of trade and investment

— The Los Angeles Times.

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OPINION

Syria and Israel: Too Near the Brink of a New War

By Gideon Rafael

JERUSALEM — While in the past year the Iran-Iraq war continued to dominate the Middle East scene, 1987 may see the emergence of another regional epicenter, the long-simmering Syrian-Israeli conflict.

The intensity of confrontation between Syria and Israel depends on the actions of those two countries and, no less, on the omissions and deeds of their superpower allies. Soviet and American indifference to innovations in regional warfare — Israel's use of poison gas, Iran's launching of missiles against urban populations — affects military thinking and planning in Syria and Israel.

For several years the Syrian army has been equipped with short-range Soviet surface-to-surface missiles. The Soviet Union has also supplied Syria with longer-range and more accurate later models capable of hitting the main urban centers of Israel. Reliable sources report that Syria has acquired a chemical warfare capability and is adapting missile warheads for poison gas.

Flash points on both sides are abundant: imprudent Syrian troop movements, interference with Israeli aerial surveillance of Lebanon, losses incurred by Syrian-sponsored terrorist activity in the security zone protecting Israel's northern border, terrorist actions like the attempt planned by Syria to blow up an El Al plane. Actions such as these could trigger another Arab-Israeli war of hitherto unknown dimensions and consequences.

An immense threat has been created by the addition of medium-range missiles and chemical weapons to Syria's arsenal, to be used when it has attained "strategic parity" with Israel. This is likely not to deter war but to precipitate it. Israel can no longer dismiss as idle bluster President Hafez al-Assad's statements about his desire to "liberate" the Golan Heights.

And forces a determination to respond with all means at their disposal.

The cry of the gauged Samson, "I shall die with the Philistines," is deeply embedded in the historical memory of the Jewish people. It could mean that the next war between Syria and Israel would degenerate into a contest between chemical and radiation weapons — with global implications.

In the past, Soviet military and political involvement in Syria and American commitment to Israel have prompted the great powers to stand by their allies and at the same time be wary of being dragged by them into a situation of dangerous confrontation. In every major Arab-Israeli conflagration, the two powers have watched the battle attentively

and then intervened jointly and decisively to stop it. Each war ended with a cease-fire of the United Nations Security Council imposed by superpower consensus.

But acquisition of arms capable of mass destruction, the heightened combat readiness of masses of troops, the deepening distrust and Israel's narrow margin of security may touch off a conflict of a ferocity that even a fast-moving U.S.-Soviet five brigade would be powerless to control. Routine practices of crisis management have become obsolete. The risks must be confronted well in advance.

The most logical way would be for the two warring states to adopt their own risk-reducing measures. But with there being no prospect of rational discourse between Syria and Israel, only the United States and the Soviet Union acting together can head off conflict.

The two powers have lost much valuable time. They must engage without further delay in discussions to restrain Syria from acts of provocation and aggressive preparation that could trigger retaliatory or pre-emptive Israeli action. Both sides must be made aware that the two superpowers will not tolerate another war or, in any circumstances, the crossing of the threshold of conventional warfare.

Once the two contenders become convinced of the determination of Washington and Moscow jointly to confront an offender, they will realize that war is not inevitable but that peace is indispensable. Israel reached that conclusion long ago and is waiting for its adversaries to follow suit.

The writer is a former director general of the Israeli Foreign Ministry and a former ambassador to the United Nations. He contributed this comment to The Washington Post.

Iran and Iraq: If True, Tehran's Claims Should Set Off Alarms

By Drew Middleton

WASHINGTON — Two tentative conclusions can be drawn from recent reports of an Iranian offensive in southern Iraq. The first is that this is the largest Iranian operation in 11 months. The second is that if Iran's tales of success, especially the claim to have severed the links between the Iraqi 3d Corps and the 7th Corps to the south, are true or even close to the truth, an alarm should be sounding in every capital in the Middle East.

A triumphant Iran, eager to spread Shiite domination, would be a far greater danger to the area's stability than a victorious but exhausted Iraq. One of the mysteries of the Israeli role in shipping U.S. arms to Iran is why the shipments were ever countenanced by the Israeli high command.

Israeli army and air force officers are openly concerned by the prospects of an Iranian victory. "Iraq is dangerous enough," a high-ranking general said, "but a conquered Iraq with those crazies from Tehran in control could lead to a new explosion involving this country."

Most reports about the fighting should be heavily discounted. The communiques and situation reports remind one of Damon Runyon's description of "Alice in Wonderland" as "nothing but a pack of lies, but very interesting in spots."

One of the interesting spots is the Iranian claim to have reached the water defenses of Basra. If true, this is the deepest penetration Iran has made in what is evidently an attempt to

take Iraq's second city. The man-made lake was intended to protect the city from attacks from the east.

The situation for Iraq is even worse if the Iranian claim to have cut communications between the 3d Corps and the 7th Corps is accurate. If true, the 3d Corps, which has done most of the recent fighting, is isolated and the 7th Corps will have to mount a heavy attack to restore communications.

Thus far the fighting appears to have followed a familiar pattern. The Iranians attacked in great strength. One intelligence report estimates that close to 100,000 men were involved in the initial onslaught. But there are two variations from the usual pattern. The Iranians for the first time in more than a year were supported by both fighter aircraft and helicopter gunships, and their anti-aircraft weapons, if the claims are true, were far more effective than in the past.

The Iraqi response also seems to have followed a familiar pattern: heavy bombardment by field guns and mortars and at least some bombing by the air force. The consensus at NATO headquarters in Brussels is that Iran, despite heavy Iraqi fire, managed to make some headway last Thursday and Friday.

If Basra's fall is an evident danger, the Iraqi high command faces a serious problem. Iranian manpower is greater than

Iraq's, and the transfer of Iraqi reserves from areas to the east of Baghdad might invite fresh Iranian attacks in those areas.

At this point, intelligence analysts are reluctant to give any casualty estimates beyond the routine presumption that the Iranians, as the attackers, probably suffered heavily in the initial phases of the operation. It remains a fact of the Gulf war, however, that the Iranians have been far more able to sustain heavy casualties than the Iraqis.

Is this the "final offensive" the Iranians have been promising for the past 15 months? It appears doubtful. Rather, this appears to be a preliminary operation to that offensive, one designed to cut the communications between Basra and Baghdad after taking the former. Once that is done, the Iranians will have to mop up the Iraqi 7th Corps to the south and then regroup for a final push on Baghdad.

Some analysts believe that one of the first consequences of the victory would be the establishment in Basra of an Islamic Republic of Iraq to challenge the authority of Saddam Hussein in Baghdad. A political challenge of that sort would provide a rallying point for Iraq's Sunnis and their Shi'ite allies.

If the Iraqis hold, and restore the situation, the war will simmer through the winter and come to a boil in the spring. If Iran's claims are accurate, the Middle East and particularly the Gulf region face a tough year.

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This Year's Trade Bill Could Be More Sensible Than Expected

By Hobart Rowen

WASHINGTON — This will be

the year when a Democratic Congress passes, and a Republican Ronald Reagan will sign, a trade bill. How restrictive such a trade law will be remains to be seen. In this political town, the basic assumption is that inasmuch as 1987 is not an election year, the Democrats in charge of Congress will not find it necessary to be as blatantly protectionist as they tried to be last year.

After refusing to send up a trade bill of his own in 1986, Mr. Reagan and his political advisers have decided that it will be prudent to do so this year, in an effort, as one of them said privately, "to signal the parameters that are acceptable."

To put it more bluntly, the Reagan administration has been forced to pursue a course of damage limitation. As part of that strategy, the presi-

dent's State of the Union message will tout a bundle of trade-promotion measures lumped under the banner of increasing "competitiveness." This will be a reprocessing of Mr. Reagan's largely forgotten East Room speech on trade on Sept. 23, 1985, that followed the Sept. 21, 1985, decision by five leading industrial countries to push the dollar down.

"They blew it last year," says Debra Brown of Consumers for World Trade. She means that if the administration had made reasonable proposals to improve existing laws, it might more easily have deflected hysterical efforts like the textile quota bill that passed and almost beat a veto, or the effort by Representative Richard Gephardt, Missouri Democrat, to slap import surcharges on countries

with big surpluses. Miss Brown and other advocates of open trade doubt that trade legislation can do much, if anything, to alter the \$170 billion U.S. trade deficit. Nonetheless, the political consensus in both parties calls for "action." And the Democrats, having won both houses of Congress, have made passage of a trade bill their first priority.

Senator Lloyd Bentsen, Texas Democrat who chairs the Finance Committee, kicked off a set of hearings on Tuesday designed to "develop a national consensus on the goals of American trade policy." He has already indicated that Mr. Gephardt's quota proposal — which he and Representative Dan Rostenkowski endorsed in a 1986 bill that passed the House — is a nonstarter this year.

With big surpluses, Miss Brown and other advocates of open trade doubt that trade legislation can do much, if anything, to alter the \$170 billion U.S. trade deficit. Nonetheless, the political consensus in both parties calls for "action." And the Democrats, having won both houses of Congress, have made passage of a trade bill their first priority.

Mr. Bentsen says his aim instead is to promote an expansion of world trade.

The Democrats are wise to pursue a more statesmanlike line: Not only is this a non-election year requiring less demagogery, but last year any success they might have had in passing a protectionist bill would have needed the approval of a Republican Senate. So damage could have been blamed equally on the Republicans.

"Now," says a White House official, "it's all on their heads."

On the other hand, the Reagan administration, in doing its best to show how "tough" it can be on trade issues while still claiming to be the last of the true believers in free trade, is playing a risky game in its long-standing fight with the European Community over the latter's protectionist agricultural policy.

The administration and the Europeans are in phase one of a nasty trade war triggered by a boost in Spain's tariffs on \$400 million worth of corn and sorghum. That was a result of sharply higher new levies that Spain was required to put into effect when it joined the EC last year. (There is a similar problem with Portugal that will not surface until later.)

When the Community offered compensation that U.S. Trade Representative Clayton Yeutter said was worth only 30 cents on the dollar, Washington retaliated with a boost in tariffs on \$400 million worth of European food and wine to a prohibitive 200 percent. The Europeans are preparing to respond with a punitive list of their own covering U.S. grain.

That is where it stands, with both sides growing at each other, pending a "last chance" meeting to find a compromise in Washington on Jan. 23, when Mr. Yeutter and his opposite number from the EC Commission, Willy de Clerq, get together.

"There's a real impasse," says a negotiator on the American side. "Our farmers are hurting, so there is a limit to our ability to be flexible. In Europe, the one country that would be hit hardest if we regain most of our corn sales would be France. And you know the difficulties the French government is in."

At the same time, though, European and American officials say privately, in almost identical words, that "the world won't come to an end" if the Jan. 23 deadline is passed. "There'll be some blood on the floor before this one is fixed," a European also says.

Both sides should be condemned for letting the fight get to this stage. It can break down the whole trading system, and simply add fuel to protectionist fires that can flare out of control on Capitol Hill.

Even when settled, as it surely will be, the American-European flap will leave a bad taste in the mouth. It hoists a dagger signal for the much-advertised new GATT round of trade talks. If GATT's two biggest powers can get into this kind of nonproductive fight, what hope is there for broadening GATT's sway over new products and services?

The Washington Post.

Compete by Vision and Sacrifice, Not Quick Fixes

By Robert B. Reich

CAMBRIDGE, Massachusetts — No issue summons more bipartisan support in America, none elicits more unanimous conviction that competitiveness. "We will make America competitive again," says the new speaker of the House.

"Competitiveness" has become a great national Rorschach test. It is an ink blot in which Americans discern their highest hopes and worst fears. Who can be against it? The country has always thrived on competition — not only in its businesses but also in its cherished pastimes: sports, politics and lawsuits. The idea that America is no longer competitive in world markets has caused a collective slow burn, and everyone seems ready to do something about it.

OPINION

When the Shouting Peaks
The Dream Will Be Over

By A.M. Rosenthal

NEWS YORK — South Africa — it is like one of those dreams we all have. The kind where you see something bad about to happen, know exactly what will unfold, cry out in warning but know nobody is listening or will hear.

When you visit South Africa, you live in the dream. You know that the repression will get worse. You know the violence will increase. You know people of good heart, white and black, are crying out and are unheard or silenced. You know that in the end there is only one solution — black government shared by whites — but that all the perfectly possible peaceful steps toward it and beyond are now being eliminated, one by one by one, by the violence of oppression begetting violence of resistance.

And you know that the longer it goes on, the more the likelihood of one tyrant replacing another. You know that the

The idea that tyranny can hide is a fantasy.

Soviet Union and its agents in South Africa are dreaming, too, but not in terror, for their greatest ally toward their goals of domination is the government in Pretoria. The more repressive it is, the more hate is spread, the nearer the goal.

Now Pretoria has taken one more step toward the isolation it believes will protect it but which of course will not. The irony of the cultural boycotts and disinvestment movements is that while they are valid expressions of foreign opposition, they are welcomed by the hardest-line South Africans in the government, who see Western influence, American particularity, as the real enemy.

This latest step was the decision to close down reporting by New York Times correspondents in South Africa. The government ordered Alan Cowell, the Times correspondent there, who was approaching the end of his tour, to leave the country, and refused to permit Serge Schmemann, the former Moscow bureau chief of The Times, who had been named his successor, to take up his post. It served notice on other American newspapers that their presence also might not be required.

South Africa is not the only country that prefers not to have American correspondents around to witness what is

going on. Indonesia threw out a Times correspondent while President Reagan was visiting the country, an insult to Mr. Reagan that seemed not to wound him terribly. Various African countries periodically bar all reporters, and earlier in the century I was among those foreign correspondents invited out of Eastern Europe, in my case Poland. As for the Russians, they simply took an American reporter hostage in a totally successful maneuver to swap him for a Soviet spy, thus not only getting their man back but reminding all foreign correspondents in Moscow exactly where they were, in case they might have forgotten.

Why the move against The Times? My own belief is that the security and "information" specialists in Pretoria had found that while the rigid censorship rules prevented the world from witnessing police violence on television, it had not been able to prevent the world from reading about it. The fact is that even abiding by the letter of censorship, an intelligent, skilled and experienced correspondent like Mr. Cowell was able to give the full flavor and a lot of the details about what was taking place in South Africa. We know that the reader knows it, the South Africans know it.

For me it was again the dream, but with a different and more ominous twist. Ten months ago Mr. Cowell was told that he had to get out in a week. I was then the executive editor of The Times and flew to South Africa with my colleague Warren Hoge, now an assistant managing editor, then foreign editor.

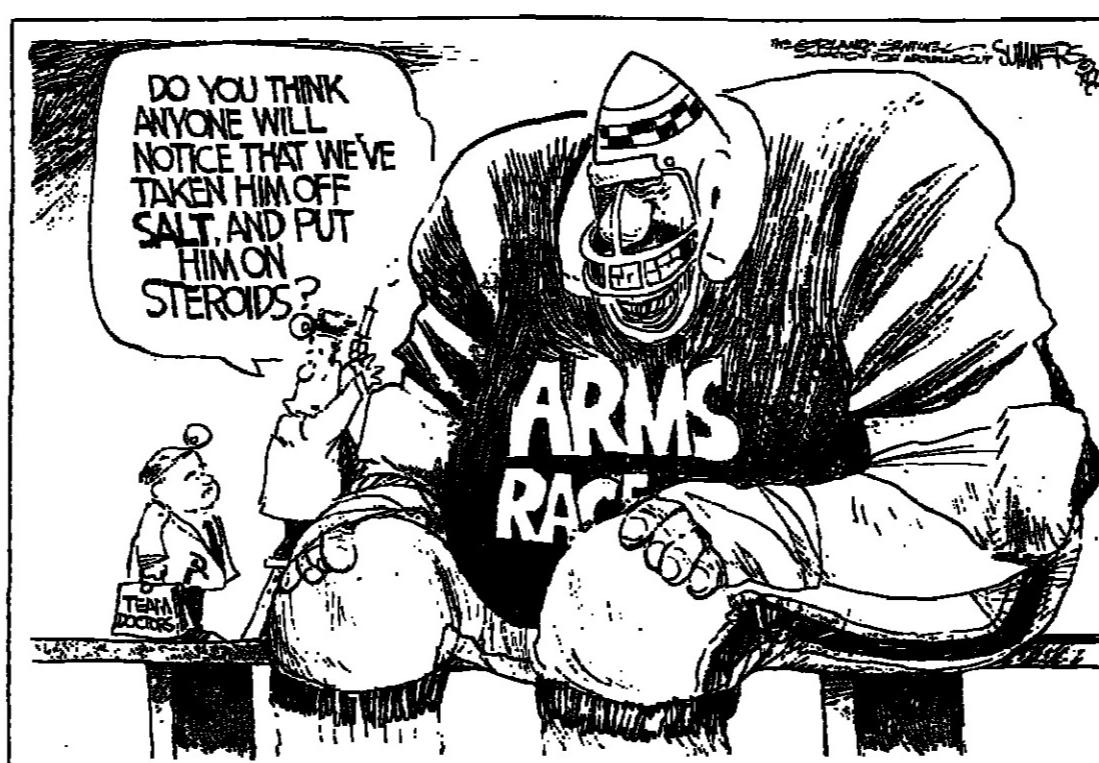
We met with Ministry of Interior officials and some pretty vivid things were said. They talked about meddling and distortions and we talked about freedom of the press. Neither side made converts but at the end the top government man present slammed his dossier shut and said that he still did not like Mr. Cowell or The Times, but since I had taken the trouble to fly all that way he could stay. Now the South Africans have so far refused even to see Max Frankel, my successor. While they may relent in the future, they are certainly not nodding and winking in our direction now.

Perhaps they will allow a few American reporters to stay on for a while. But they do seem determined to extend the censorship beyond pictures, beyond the widest possible interpretation of "security" information, and to blank out the Cowells and the Schmemanns and thus the minds of American readers.

But the idea that reality can be blanked out, that tyranny can hide and be unknown is a fantasy. It has not worked before and will not work now. They dream, the South Africans, and by the time they are shouted into wakefulness it may simply be too late.

The New York Times.

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LETTERS TO THE EDITOR

Poland Isn't Czechoslovakia

Regarding "Can't They Even Allow Jazz?" (Dec. 16) by Kurt Vonnegut Jr.:

Before Kurt Vonnegut brackets Poland with Czechoslovakia, he should get the facts straight, or better, visit the country. One of its chief exports is jazz. The rock group Lady Pank (read "punk") regularly makes appearances in the West. And if Mr. Vonnegut likes country music, let him tune in on Polish radio. One of its weekly programs is (or was) "The Road to Nashville." Marlboro, the cigarette brand, sponsors an annual country music festival in Poland in August. The latest rock videocassettes from Britain are broadcast at least once a week on television.

Speaking of television, I would say that at least 75 percent of their dramatic programs are of Western origin: "Hill Street Blues," "East of Eden," "The Muppets," Woody Allen's "Manhattan," Alan Ayckbourn's "Bedroom Farce," to give but a meager sampling. Ditto for the movies. In the theater, Roman Polanski recently appeared in "Amadeus," and musicals from Broadway now on view include "Fiddler on the Roof" and "My Fair Lady." There have been numerous productions of Neil Simon's and Harold Pinter's plays, and the Poles produce everything that Slawomir Mrozek ever wrote.

If Mr. Vonnegut arrives at the airport laden with gifts of Playboy and Rambo-Rocky videocassettes, customs will wave him through. Sony and Sanyo videocassette recorders can be bought in the Polish network of dollar shops from one

end of the country to the other. For satellite television, dish antennas are available from a man in Szczecin (his company is called Svensat) who makes them in his garage and sells them to West Germany and other Western countries for something like \$1,000 apiece.

There are already 1,000 in Poland, and owning them is perfectly legal, the only hitch being that the owner has to register with the authorities that he owns one. As Flora Lewis wrote in "For Poles, a Trial by Impotence" (Dec. 5), even the Hungarians envy the Poles their intellectual freedom. So I invite Mr. Vonnegut to visit Poland, after which he will never lump it with Czechoslovakia again.

MARGARET SZMURAK,
London.

Surgery for Some Radicals

Stephen M. Walt's opinion column

"It's Time to Debunk the American Myth About 'Radical States'" (Dec. 30),

cautions American foreign policy makers not to castigate Third World "radical" states and nationalist movements which pose limited threats to fundamental U.S. interests. Mr. Walt states correctly that U.S. hard-line approaches offer Syria and the PLO no alternative but to seek Russian support. However,

he fails to point out the difference between nationalist maneuverings that are part of old-fashioned balance of power politics and countries taken over by Marxist-Leninist totalitarianism, such as Nicaragua and Cuba, which form part of the spreading cancer of atheistic communism. The free world should

band together to perform radical surgery on these communists and return their hapless people to freedom.

JOHN G. McCARTHY JR.,
Villars-sur-Ollon, Switzerland.

West Germany in NATO

Considering merely the budget figures

is not a good way to evaluate defense contributions.

Conscription in West Germany,

for instance, produces an essential part of the Western defense capability.

I might add — again in response

to an opinion column last Nov. 18 by Leonard Sullivan, "Washington Spends Too Much on European Defense" —

that the West German government has

made an unpopular decision to extend the draft. But that does not look very impressive on the budget scale, since

conscription is relatively inexpensive.

West Germany provides 50 percent of

NATO land forces in Central Europe,

50 percent of ground air defense and 30

percent of combat aircraft. Efforts to

strengthen conventional combat power

are being made. Leading officials of the

Reagan administration recognize this.

They know that the European allies do

form a credible conventional deterrent.

Discussion of burden-sharing problems

should also include the question

of how to improve standardization of

weapon systems and other equipment by

establishing a real trans-Atlantic two-

way street. More U.S. willingness to

cooperate in this would be welcome.

KLAUS FRANCKE,

Member of the Defense

Committee of the Bundestag, Bonn.

How to Attack Terrorism:
The View From Skid Row

By Jeff Dietrich

LOS ANGELES — Rod is standing next to me, an empty green wine bottle clenched in his fist ready to explode into a million shards of glass. His 6-foot-2-inch (1.88-meter) bulk coils and tightens. Great gobs of saliva fly from his mouth as he spits obscenities at me. I am in the grip of sheer terror; adrenaline surges, but it's like a narcotic, reducing my arms and legs to the consistency of overcooked pasta.

I get a lot out of my work in a Skid Row soup kitchen, but a sense of physical security or peaceful surroundings is

MEANWHILE

not among the pluses. Even on the calmest days the anger, violence and insanity are always there, lying like a mine waiting to go off. But it did occur to me recently that living in this sort of war zone gives one an edge over those who have never dealt with terrorists.

Rod, give me the bottle and I'll bring you a tray of food. Go on outside. You're too agitated to eat in here.

"O.K., punk, but be quick about it," he says, handing me the bottle. I grasp the neck so as not to inadvertently release the imaginary arming mechanism and carefully drop it in the trash can.

This is not the first time Rod has terrorized us. Once, after an epic struggle, we "banned" him for an entire year. I used to think our methods of dealing with terrorism — prayer and nonviolence — were hopelessly idealistic and impractical. Then I heard that a security guard in a similar Skid Row institution was murdered with his own gun during a struggle with an irate client. So much for the use of force. We figure that we might as well stick to our principles.

After Rod finishes eating, he is much calmer, almost affable, so I take the opportunity to tell him that he will be banned for a week because of the disturbance that he caused in the kitchen.

"The hell with you, punk, I don't want your food anyway," he says, turning on his heel and walking away.

I am fully aware that it is 1987 and that idealism, as a basis of national policy, is about as fashionable as bell-bottom trousers and love beads. So I won't even suggest prayer and nonviolence as a means of combating terrorism. I am convinced, however, that you cannot end it by bombing children in Libya, or by jailing the poor in your own nation. Any effective program to end terrorism must begin with a commitment to feed the hungry, clothe the naked and shelter the homeless.

The writer is a member of the Los Angeles Catholic Worker community. He contributed this comment to the Los Angeles Times.

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Moslems Attack in 4 Provinces in Philippines

By Gregg Jones
Washington Post Service

MANILA — One person was killed and 17 others were wounded in a wave of Moslem rebel bombings and attacks in four southern Philippine provinces, the police said Wednesday.

[Hashim Salamat, a leader of the Moro Islamic Liberation Front, a guerrilla organization seeking autonomy in several provinces on southern Mindanao island, said in Saudi Arabia that his group was responsible for the attacks. The Associated Press reported. He said more attacks would be launched as part of a "long struggle" which he said "was never suspended."]

The attacks were viewed here as a setback to Mrs. Aquino's efforts to negotiate a peaceful end to nearly two decades of Moslem fighting in the south.

The renewed violence also called into question Mrs. Aquino's decision to negotiate with only one of three Moslem rebel factions, that lead by another Moro National Liberation Front leader, Nur Misuari. Mr. Misuari has said his group would accept regional autonomy instead of independence. The agreement was denounced by Mr. Salamat, who also wants autonomy but opposes the Misuari group.

Aquino Pimentel, Mrs. Aquino's national affairs minister in charge of the government's Mindanao peace committee, said the attacks proved the need to bring other factions on the island into the peace process.

Speaking after meeting with Mrs. Aquino and advisers, Mr. Pimentel said that because only Mr. Misuari was "really brought into the peace process, I was sure these things were bound to happen."

In 14 apparently coordinated attacks beginning Tuesday night and continuing until Wednesday morning, the rebels blew up and burned bridges, power pylons, government buildings and businesses.

Military authorities said about 300 guerrillas set up checkpoints in one town to distribute leaflets that said the attacks were aimed at stopping Mrs. Aquino's weekend visit to Mindanao. She plans to campaign there for ratification of a new constitution in a plebiscite Feb. 2.

A palace spokesman announced later Wednesday that Mrs. Aquino would proceed with the trip.



Communists held a rally Wednesday in Manila's Tondo district as part of a dialogue with the urban poor. About 300 district residents attended. At left is Saturnino

Ocampo, the chief spokesman for the outlawed Communist Party. Mr. Ocampo helped negotiate the 60-day cease-fire between the Aquino government and Communist rebels.

Alberto Marquez/The Associated Press

REAGAN: Strains From Health Problems, Iran Crisis Raise New Concerns

(Continued from Page 1)

however, not because the president had rejected their ideas but because many of his responses had little to do with their proposals, according to five leaders who attended the session. His responses led some of the leaders to wonder if he had understood the issues they had raised.

At one point, Representative Robert H. Michel of Illinois, the House minority leader, urged the president to indicate his support of a federal insurance plan to cover catastrophic illnesses. Mr. Reagan responded by talking about a New York City welfare family living in a plush hotel at extravagant cost. Other leaders explained that catastrophic health insurance was not a welfare program, but Mr. Reagan reiterated the welfare family story.

Some of those attending were dismayed at what they viewed as the president's inability to grasp this issue and some of the others that were raised.

But one senator suggested that the president's responses at the White House meeting might have been deliberate.

"He didn't care sometimes about the issues," said the senator, who spoke on the condition of anonymity. "It wasn't as if he was missing the issues as much as he wanted to

address them from a different vantage point."

Senator Orrin G. Hatch, Republican of Utah, thought the president had generally acquitted himself well in a wide-ranging discussion.

"He was responding, not necessarily on point," said Mr. Hatch,

adding that he could not be expected to be familiar with all the subjects raised.

A White House aide said that he had not seen any change in Mr. Reagan's mental capacity or outlook in recent months.

"I've sat in a lot of cabinet meetings in the last month, and I've seen no change in his wit or his grasp of subjects," he said.

Similarly, Defense Secretary Caspar W. Weinberger, asked at a news conference Tuesday about the president's mental state, replied: "He is an astonishingly strong and able person. He is very attentive

He has a very clear and good grasp of all the things that are going on."

But some White House aides have described the president as "depressed" because of the Iran controversy and his medical problems. And his mental outlook and grasp of issues have become a matter of increasing concern among

ment to conduct covert operations, the senator said.

The senator replied that Congress merely required being informed of such operations and said that in fact the U.S. Senate conducted covert operations all over the world and that the president recently had authorized such an operation "in country X."

The president had no such recollection, the senator said, until he was reminded by Vice President George Bush. But, undaunted, and an official ban on disseminating "rumors or misinformation" remains in force.

While Mr. Doe has ordered political prisoners freed and lifted a ban on travel by opposition members, the Reagan administration would like further steps to be taken toward an open political system.

Washington has held up \$15 million in aid to Monrovia because the government has fallen behind in repaying U.S. loans. Liberia's economy has been hurt by low commodity prices and deficit spending. Its principal exports are iron ore, rubber and timber.

Besides Liberia, Mr. Shultz has visited Senegal, Cameroon, Kenya, Nigeria and Ivory Coast. He was returning to Washington on Wednesday.

If you're asking has this Iran-contra thing affected him, certainly it's affected him. But he's never been much for details.'

— Robert H. Michel,
House minority leader

both Democrats and Republicans on Capitol Hill.

Thomas P. O'Neill Jr., who as speaker of the House attended numerous meetings with Mr. Reagan, said, "He has a great tendency of going into space and stargazing, but that's nothing new."

"The truth of the matter is," he added, "he knows less than any president I've ever met."

A Democratic senator recalled a White House meeting last year on covert operations. The president stated flatly that Congress had made it impossible for the government to conduct covert operations.

Mr. Michel, the House Republi- can leader, was asked if the stress of the investigations into the Iran arms sales and their link to aid for the rebels in Nicaragua, known as contras, had affected the president. He replied: "If you're asking has this Iran-contra thing affected him, certainly it's affected him." He would not elaborate, adding only: "He's never been much for details."

Speaks Assails Report

The chief White House spokesman, Larry Speakes, criticized The New York Times report and said Thursday that members of Congress who have voiced concern over Mr. Reagan "don't know what they are talking about," United Press International reported.

Mr. Speakes said The Times, its reporter and those who spoke with him "ought to be ashamed of themselves," and called the story's premise "wrong, absolutely wrong, and foolish."

"I don't think anybody is qualified to comment" on the president's condition, Mr. Speakes said.

"They don't know what they're talking about, simple as that. Bug off."

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COLD: France Calls Out Troops

(Continued from Page 1)

milk since Saturday, and some vil-

lage stores have run out of food.

Berlin reported its first death,

that of a 29-year-old man who ap-

parently froze in his car after it

broke down.

Near Venice, a 53-year-old man

who fell from his bicycle and into a

ditch froze to death, ANSA news

agency reported. The body, cov-

ered by snow, was found by a work-

er spreading salt on a road.

In Hungary, four persons froze

to death, the news agency MTI re-

ported.

In Skane province in southern

Sweden, temperatures fell to minus

15 degrees centigrade (minus 44 de-

grees Fahrenheit) after a blizzard. People

were warned that they risked death

if they went outdoors.

In some areas of Sweden, above

the Arctic Circle, weather stations

said temperatures had risen from

minus 42 centigrade (minus 44 de-

grees Fahrenheit) to 0 degrees cen-

trigrade (32 degrees Fahrenheit).

"We almost had a heat stroke

when the thermometer shot up,"

said Nils-Erik Vasara at the Nai-

maaska weather station.

In Iceland, like spring-like weather

has produced temperatures of

about 10 degrees centigrade (50 de-

grees Fahrenheit) for a week, and

was all done legally."

Two other members of congressional

intelligence committees, one

Democrat and the other Republi-

can, disputed this. They said they

believed the administration and CIA exceeded the authority per-

mitted under the law.

The question of CIA assistance is

expected to be investigated by the

new Senate and House committees

set up to inquire into the affair of

U.S. arms sales to Iran and the

diversion of some of the proceeds

to the contras.

There have been assertions that

CIA operatives in Honduras, El

Salvador and Costa Rica provided

the contras considerable assistance

last year in the war against the

Sandinistas. There has been no con-

clusive evidence to date, however,

that the agency gave assistance be-

yond the help allowed by Congress.

Vance Criticizes Policy

Cyrus R. Vance, secretary of state under President Jimmy Carter, told Congress on Wednesday that the Reagan administration's Iran policy has had an "extremely negative" impact on U.S. standing as a credible world leader, The Associated Press reported from Washington.

Conversing on the way to Aug-

en, Mr. Vance said that he had

not yet decided whether to leave

Munich for Bonn after the election,

which he predicted the coalition

partners would win with 55 percent

of the vote.

"And even if it had been decided, I wouldn't say so," he joked.

But he hinted that he was think-

ing about Bonn by suggesting that

the Christian Social Union, his Ba-

varian sister organization of the

Christian Democratic Party, could

run its affairs without his being in

Munich.

"One cannot think that one is

indispensable," he said.

He softened an accusation made

in campaigning that the Free Dem-

ocrats were "an unreliable par-

tner," saying this applied mainly to

the area of internal security where

SCIENCE

IN BRIEF

Skeleton of Large Mastodon Found

WASHINGTON (WP) — The fossil skeleton of the world's largest known mastodon, an extinct relative of the elephant, has been discovered in central Florida.

The beast stood 12 feet (3.6 meters) tall at the shoulder, half again taller than the typical mastodon and about 20 percent taller than the previous record holder, a skeleton found in Mongolia. The Florida mastodon, which lived about 7 million years ago, also had four tusks, each jutting about six feet out from the skull, two from the upper jaw and two from the lower jaw.

"It's a little astonishing. It's probably a new species to science," said David Webb, curator of vertebrate paleontology at the Florida State Museum, who has been excavating at the site south of Gainesville. The site appears to have been a prehistoric water hole where animals came to drink and where some became trapped in the soft clay bottom.

Hawaii Has King-Sized Raindrops

WASHINGTON (WP) — Some of the world's biggest raindrops, measuring as much as a third of an inch across, have been photographed falling over Hawaii.

The record-holding raindrop is a 9-millimeter one, just over a third of an inch, seen by the Illinois State Water Survey in Champaign during a 1953 thunderstorm. Scientists had thought such big drops were rare and short-lived because collisions with other drops would break them up.

A report in the journal Geophysical Research Letters, however, reveals that 8-millimeter raindrops were fairly common in a storm that Kenneth Beard, a cloud physicist at the University of Illinois, photographed in Hawaii in 1983. His photographs also showed that the drops survived for a surprisingly long average of 10 minutes. The findings are of interest because the interpretation of weather radar scans depends on assumptions about sizes of the raindrops reflecting the radar beam back to the weather station.

AIDS Antibodies Found In Plasma

NEW YORK (NYT) — Scientists have found that blood plasma of some persons infected with the AIDS virus has large quantities of antibodies that inactivate the virus in the test tube.

The New York Blood Center is seeking plasma donations from people infected with the virus to collect more of these antibodies for further research. The plasma itself will be used only for the AIDS research. It has long been known that AIDS victims usually have detectable antibodies against the virus, but in most cases these appear to give the patient no protection against the deadly acquired immune deficiency syndrome.

If some people do have antibodies that actually protect against the virus, it might be possible to purify these antibodies so that they could be administered under special circumstances for temporary protection of persons such as dentists, surgeons and other hospital workers who may often encounter AIDS patients' blood. Recent studies at the center showed that blood samples from about 50 of 500 infected people had large quantities of the antibodies, said Dr. Louis Baker of the blood center. The ability to kill virus in the test tube does not necessarily prove that an agent will protect against infection.

Vaccine Against Cat Parasite Found

NEW YORK (UPI) — Scientists say a newly developed vaccine for cats may prevent pregnant women from picking up a disease from the felines that causes birth defects. The widely feared disease, toxoplasmosis, caused by the transmission of a parasite from cats to humans, is responsible for about 3,000 birth defects each year, said the March of Dimes Birth Defects Foundation, which announced the discovery.

Toxoplasmosis also can cause brain damage and death in people with diseases such as AIDS that suppress the immune system, doctors said. The potential vaccine, administered to cats rather than humans, has proven successful in laboratory trials on the animals, said the March of Dimes, based in White Plains, New York.

But the agency warned it may take years for the vaccine to pass the efficacy and safety trials needed before it can be made commercially available.



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Understanding Snowflakes

By James Gleick
New York Times Service

SCIENCE has conquered the snowflake problem.

In resolving two of nature's most poetic and maddening riddles — why are snowflakes symmetrical, and why are they all different — theoretical physicists have created a new body of mathematics for the laws that control the delicate branching growth of an unstable solidifying crystal.

Snowflakes have become part of a growing science of pattern formation that is drawing together theorists, computer modelers, and engineers with practical problems ranging from metallurgy to flame propagation to oil recovery.

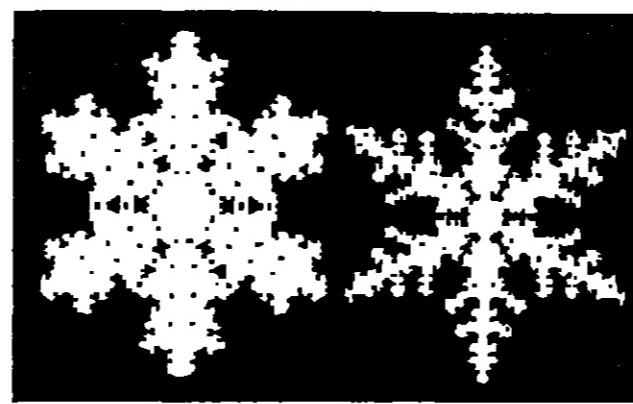
Generations of snowflake-watchers sketched and catalogued the patterns formed by airborne ice crystals: plates and columns, crystals and polycrystals, needles and dendrites. But snowflakes obey mathematical laws of surprising subtlety, and it has been impossible to predict precisely how fast tip will grow, how narrow it will be, or how often it will branch.

"In the last two years, those problems have been solved," said Herbert Levine of the Schlumberger-Doll Research Center in Connecticut.

"We've reached a very interesting point scientifically where we're starting to look at a whole bunch of older problems of pattern formation in nature, how complex formations emerge out of a generally featureless soup," said James S. Langer of the Institute for Theoretical Physics in Santa Barbara, California. "We finally seem to have a good idea of what controls these things."

A key to the new approach has been the availability of computers with which scientists could propose models, test them, make pictures of the results, and then improve their models. Only recently, though, after more than five years of research by several groups, have computer simulations succeeded in realistically capturing the physics of crystal growth.

One problem is that such growth



Perleydon Family
Computer simulations of snowflake patterns.

entails, as Dr. Langer says, "a highly non-linear, unstable free boundary problem," meaning that models need to track a complex, wiggly boundary that changes dynamically. "That's tough, trying to understand where this boundary is moving. If you guess wrong, the computer program just blows up on you."

Another problem has been deciding which of the physical forces involved are important and which can be ignored. Most important, as scientists have long realized, is the diffusion of the heat released when water freezes.

The competition between these forces makes for tricky mathematics, since the equations must relate scales of millimeters to scales of molecules. Traditionally, physicists assumed that for practical purposes they could disregard the tiny surface-tension effects. "That turned out to be just wrong," Dr. Levine said. "The breakthrough was showing that by throwing away this particular physical effect one was throwing away the right solution to the problem."

The reason is that the surface effects prove much more sensitive to the molecular crystal structure of a solidifying substance — in the case of ice, a natural hexagonal configuration. That gives ice a built-in preference for six directions of growth.

In effect, a snowflake records the

history of the changing weather conditions it has experienced. As a growing flake falls to earth, typically floating in the wind for an hour or more, the choices made by the branching tips at any instant depend on such things as the temperature, the humidity, and the presence of impurities in the atmosphere.

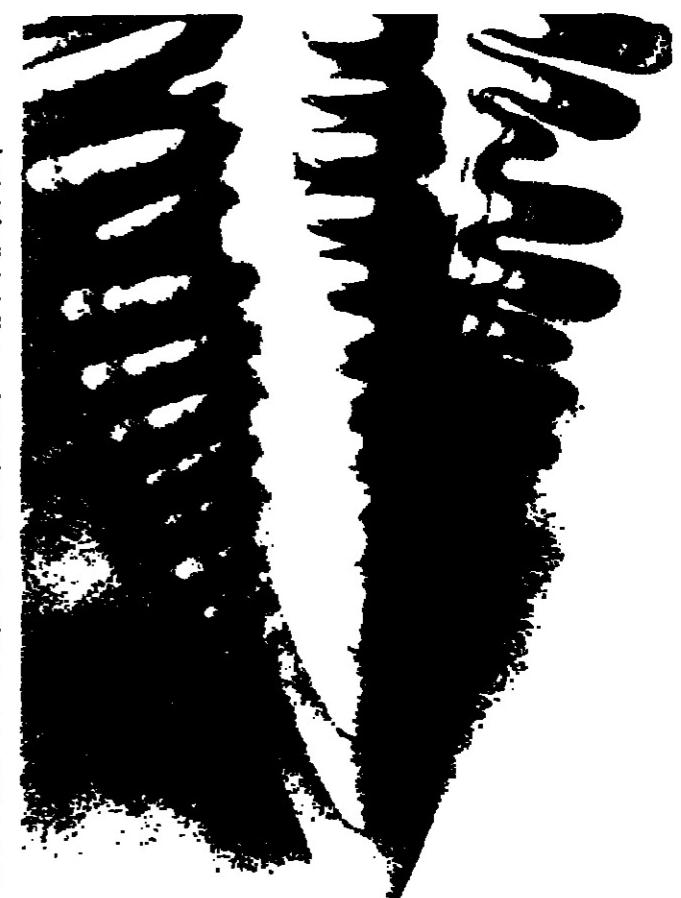
The nature of turbulent air is such that any two snowflakes will follow very different paths, and enough combinations of patterns are possible to more than justify the folklore that all snowflakes are different. But why are all six arms of a snowflake alike?

"Lots of people have thought that there has to be some mechanical equivalent of somebody sitting at the center of the snowflake and telling all of them to do the same thing," Dr. Langer said.

But first of all, careful examination shows that snowflakes are not exactly symmetrical. And second, the six arms of one snowflake, less than a millimeter across, will have experienced nearly identical growing conditions — much closer than any two snowflakes experience and close enough to explain their similarity.

In metallurgy, specialists seek a precise understanding of what controls the speed of crystal growth and the degree of irregularity because these, in turn, often control the tensile strength of an alloy after it solidifies.

"There's a brand new interaction between technology and science, connected largely by the computer," Dr. Langer said. "People in industry say, 'We're dealing with more and more complex systems, and we're not going to do it by hand and find any more — it's too



Perleydon Family
Multiple exposure of dendrite growth, magnified 40 times.

Some types of algae, for example, closely resemble patterns under investigation by physicists.

"There is a clear connection between this problem of stability and the early differentiation of certain organisms when they start from an egg and gradually acquire structure," Dr. Golub said.

Experimentalists, too, are pushing the science of pattern formation forward. Jerry P. Golub, a physicist at Haverford College and the University of Pennsylvania, has conducted a series of experiments designed to shed light on the precise shape of the convoluted structures that appear behind the growing tip of a dendrite. In the back of their minds, many of these physicists nurse a belief that their work on pattern formation may apply to developmental biology as well.

"On the one hand, snowflakes are important because there are lots of crystals in nature, but, in the long run, I think the most important aspect will be this general development of tools and ways of thinking. It is those things that are most likely to carry over into other areas of investigation."

INTERNATIONAL POSITIONS



ABU DHABI NATIONAL OIL COMPANY

Abu Dhabi National Oil Company (ADNOC) controls and co-ordinates the operations of both onshore and offshore oil and gas exploration and production and associated petrochemical industries. The Company wishes to recruit the following personnel in its Finance Directorate:

SENIOR FINANCIAL ANALYST:

The candidate for the position will be required to analyse financial statements as necessary, to evaluate the impact of budgets on Group Company Balance Sheets, to follow-up and analyse financial market trends and to perform loan administration functions. The candidate should have a first degree in Business Administration, Accounting, or equivalent coupled with at least 7 years relevant experience in financial analysis.

SENIOR ACCOUNTANT:

Responsible for performing accounting duties relating to ADNOC's Cash Management. Co-ordinate and monitor the flow of funds through the company's bank accounts. Evaluate and analyse the company fund utilisation activities and financial institutions holding ADNOC's funds.

The candidate for this position should have a first degree in Business Administration, Accounting or equivalent plus 6 years relevant experience in cash management.

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P.O. BOX 888 — ABU DHABI — U.A.E.



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THURSDAY, JANUARY 15, 1987

WALL STREET WATCH

Leaner Oil-Service Industry Leads Varied List of Gainers

By VARTANIC G. VARTANIAN
New York Times Service

NEW YORK — Large-capitalization issues — drugs, papers and oils, among others — figure prominently on the expanding list of stocks scoring new 52-week highs on the New York Stock Exchange. But the market's broad advance also saw new highs set last week by components of the long-depressed oil-service industry, as well as by stocks in such "niche" sectors as check printers, funeral-related businesses and New Jersey home builders.

In the oil-service group, both Halliburton and Dresser Industries, benefiting from rising prices for crude oil and Wall Street's renewed interest in energy stocks, traded last week at their highest levels since 1985.

Tuesday, Halliburton fell 8.5 cents to \$29.75, while Dresser was unchanged at \$23.50.

In recent years, the sharp contraction in oil-drilling activity has caused huge price declines in this group. Halliburton reached a high of \$86.375 in late 1980, when Dresser's shares also fetched their record price of \$57.

Last October, when Halliburton was selling at \$22 and Dresser was trading at \$18, Sandi Haber Sweeney, an analyst at Sanford C. Bernstein & Co., recommended their purchase.

"I would continue to be a buyer of both stocks," she said this week. "The companies have strong balance sheets, and they have done an excellent job of 'downsizing' their operations. That means they now enjoy the potential of earnings leverage when drilling activity starts to rebound. My top choices in the industry now are Baker International and Schlumberger."

Tuesday, Baker eased 62.5 cents, to \$14.125, while Schlumberger, the industry leader, declined 37.5 cents to \$36.275, after reaching a 52-week high on Monday. In December, PaineWebber upgraded its opinion on Schlumberger to attractive from unattractive.

AMONG funeral-related stocks, brighter earnings prospects have sent Hillenbrand Industries and Service Corp. International to record levels. Hillenbrand, the leading maker of coffins, was unchanged Tuesday at \$50.625. Shares of Service Corp., the largest U.S. funeral service and cemetery company, closed at \$38.75, up 75 cents.

Analysts said that in recent years both companies had benefited from acquisitions, new products, improved profit margins and increased market share as smaller competitors have left the field. "An industrywide consolidation is likely to help Hillenbrand's casket business," said Christian Woschenko of the Value Line Investment Survey. For the year that ended Nov. 30, he estimates earnings at \$2.50 a share, up from \$1.69 the previous year.

Value Line accords Hillenbrand its top "timeliness" rating as an investment in the next 12 months. The company also manufactures hospital equipment, luggage and security locks.

At Service Corp., Mr. Woschenko expects profits for the year ending April 30 to increase to \$1.90 a share from the previous year's \$1.62. The company expanded its business in 1985 with the acquisition of Amelco, the nation's No. 2 coffin producer.

The two leading U.S. printers of bank checks, Deluxe Check Printers and John H. Harland, together account for about 75 percent of the output of this industry. Tuesday, Deluxe was unchanged at \$38, while Harland declined 50 cents, to \$51.25.

Deluxe is rated as a "strong hold" after its recent sharp run-up by David L. Jarrett of Tucker, Anthony. He estimates earnings at \$4.40 a share for 1986 and at \$1.75 for this year. In 1985, Deluxe earned \$1.22 a share. The analyst carries a "buy/hold" opinion on Harland, which earned \$1.77 a share in 1985. Profits are estimated at \$2.10 a share for last year and at \$2.55 for 1987.

Two home builders that derive much of their growth from the New Jersey housing market — Toll Brothers and Hovnanian Enterprises — also scored highs in recent days. Toll, which went public last July at \$12.50, finished Tuesday at \$19.375, up 12.5 cents. Hovnanian, whose shares tripled in value last year, closed on the American Stock Exchange at \$22, down 6.25 cents.

Currency Rates

Cross Rates Jan. 14									
	S.	D.	G.	F.F.	I.L.	Gdr.	R.F.	S.F.	Yen
Amsterdam	1.281	1.225	112.01	324.24	8.038*	5.625*	134.41	134.18	17
Buenos Aires	31.525	57.53	28.64	41.885	2.968*	10.345	24.64	24.37	—
Frankfurt	1.283	1.27	10.63	324.24	8.038*	5.625*	134.41	134.18	17
London	1.28	1.27	10.29	324.24	8.038*	5.625*	134.41	134.18	17
Moscow	1.2825	1.2725	118.98	324.24	8.038*	5.625*	134.41	134.18	17
New York (c)	1.2841	1.2725	4.338	324.24	8.038*	5.625*	134.41	134.18	17
Paris	1.282	1.2725	11.22	324.24	8.038*	5.625*	134.41	134.18	17
Tokyo	15.57	21.99	8.75	324.24	8.038*	5.625*	134.41	134.18	17
Zurich	1.284	1.2725	10.86	324.24	8.038*	5.625*	134.41	134.18	17
1 ECU	1.107	1.107	1.107	324.24	8.038*	5.625*	134.41	134.18	17
1 SDR	1.104	1.104	1.104	324.24	8.038*	5.625*	134.41	134.18	17

(a) Commercial firms. (b) Amounts needed to buy one pound. (c) Amounts needed to buy one dollar. (*) Units of 100 (x) Units of 1,000 (y). (z) Units of 10,000 (N.G.: not quoted; N.A.: not available.) (c) To buy one pound; (x) To buy one dollar.

Sources: London and Zurich, Bankers' Association; Brussels; Banco Commerciale Italiano (Milan); Banco Nazionale Portofino (Porto); Bank of Tokyo (Tokyo); IMF (SDR); BAI (other, rates, dollars); Cedbank (francs); Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits Jan. 14									
	Days	D-Mark	Francs	Stardollars	French	ECU	SDR		
1 month	4.14-4%	4.14-4%	315/34	11.11%	10.10%	—	—	4.14	—
2 months	4.14-4%	4.14-4%	316/34	11.11%	10.10%	—	—	4.14	—
3 months	4.14-4%	4.14-4%	316/34	11.11%	10.10%	—	—	4.14	—
6 months	4.14-4%	4.14-4%	316/34	3.10-3.1%	11.11%	—	—	4.14	—
1 year	4.14-4%	4.14-4%	316/34	11.11%	10.10%	—	—	4.14	—

Sources: Morgan Guaranty (dollar), DM, SF, Pound, FF, Lloyds Bank (ECU); Reuters.

(SDR). Rates are applicable to interbank deposits of \$1 million minimum (or equivalent).

Note: Interest rates are subject to change.

Key Money Rates Jan. 14

Asian Dollar Deposits Jan. 14									
	Days	Prev.	1 month	2 months	3 months	4 months	1 year		
United States	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14	4.14
Discount rate									
Prime rate									
Broker loan rate									
Federal funds									
Commercial paper 90-day bills									
Smooth Treasury bills									
Smooth Treasury bills									
Smooth CDs									
Smooth CPI									

Note: Interest rates are subject to change.

INTERNATIONAL HERALD TRIBUNE, THURSDAY, JANUARY 15, 1987

**Wednesday's
AMEX**
3p.m.

Via The Associated Press

12 Month High Low	Stock	Div. Yld. PE	Sz. 1993 High Low	3 P.M. Quot. Ch'ge
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A											
1424	4%	ACI Hid									
1372	1%	ACI Pm	1.20	.85							
1372	94%	ACM Adm 3	.17								
1441	5%	ACM Adm 3	.10	.11	.25						
81%	4%	ACM Int									
30%	24%	ADM Int DfC 200	4.7								
3%	24%	AOI									
41%	25%	ATT Fds s	.34	.9	2						
6%	24%	AttracPr									
12%	6%	AttracU	.32	.17	.13						
7%	7%	Action									
3%	12%	Action									
2%	1%	AdmPrc									
2%	1%	AdmReal									
15%	1%	AirEuro									
13%	4%	Alamco									
9%	6%	Albow									
4%	7%	Affina									
12%	6%	Alphain									
11%	4%	AlmGr									
4%	7%	Alt Altn									
4%	24%	AlmCo pf	3.75	.75							
2%	24%	AlmCo pf	3.75	.75							
4%	24%	AmBrit	.08	.15							
27%	13%	AmDohl	.09	.25							
15%	9%	AmBiff	.15	1.1							
17	12%	AmCof d									
5%	32%	AmCap									
5%	2%	AmExF w/									
17	7%	AFRUC A									
16%	8%	AFRUC B									
17%	7%	AFRUC C									
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16%	6%	Andal									
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15%	5%	Andrea									
15%	5%	Angela									
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9%	5%	AngEdu w/									
7%	7%	AngCm n									
7%	2%	Angmen									
10	5%	Angrel									
12	5%	Arrowa									
30%	5%	Arundell									
9%	5%	Arran g									
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5%	5%	Ashtotol									
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17%	7%	BRT S	.02	4.9	1.9						

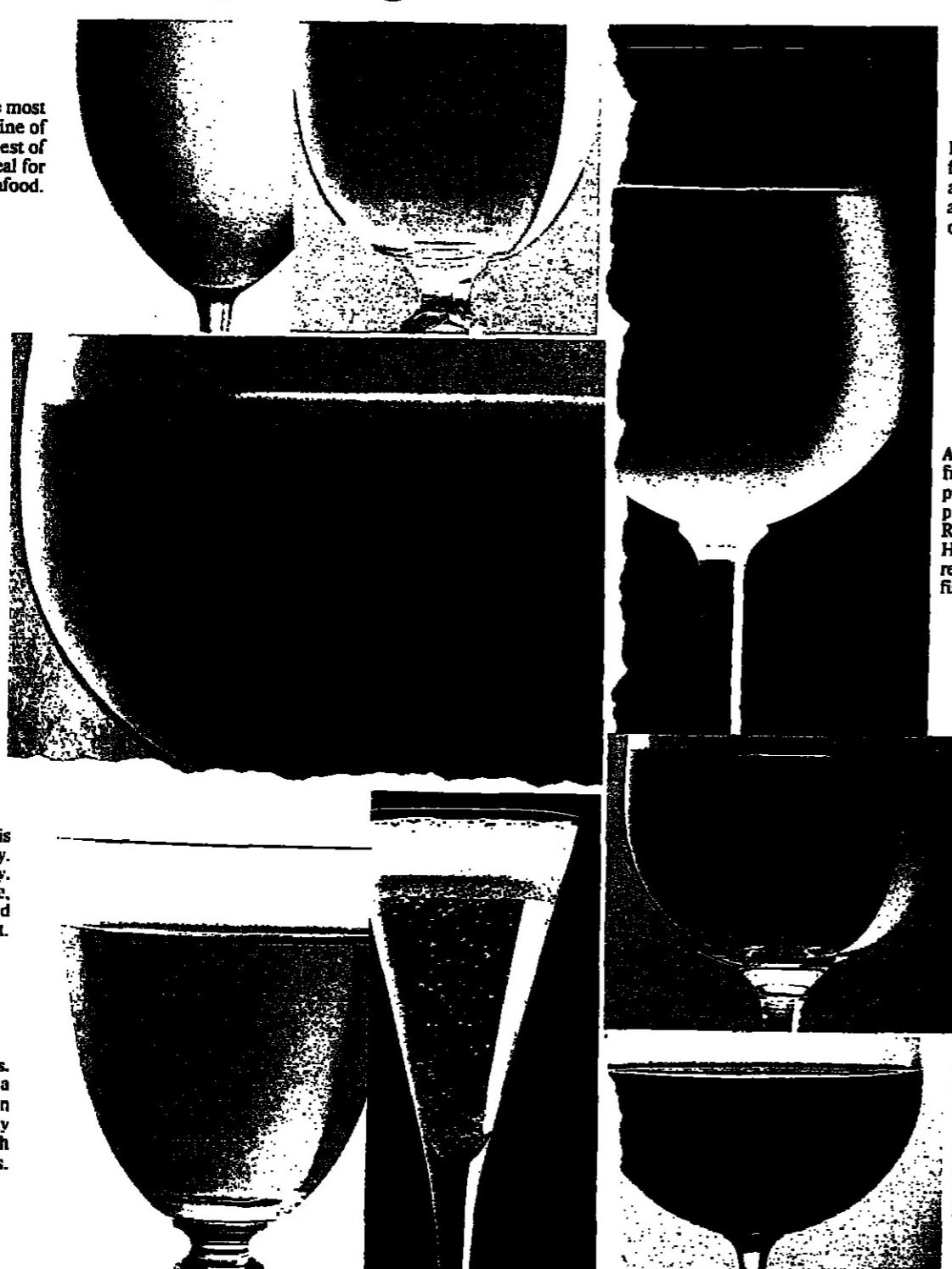
(Continued on next page)

WORLD MARKET
REPORT

IN REVIEW
IN THE INT'L EASY MONDAY.
A WEEKLY REVIEW OF WORLD STOCK
MARKETS, ESSENTIAL READING FOR INVESTORS
AND PROFESSIONALS — WORLDWIDE

Floating-Rate Notes

Everything in red and white.



Rueda. Light and fresh. In spite of its appearance, its alcohol content is over 13%.

Alella. Typical from Barcelona province, praised by the Roman emperors. Highly recommended with fish

Jerez (Sherry). The varieties "Fino", "Oloroso", "Amontillado", "Manzanilla" and "Palo Cortado" are ideal for the aperitif.

Carifena. Its alcohol content can reach 15°. Very strong aroma, excellent bouquet and body. Matchless with

Spain is blue like her skies and seas. Green like her forests.
Golden like her beaches. Grey and brown like her mountains...
But besides there are also colours that you can taste. Red and
white. Her wines, Albariño, Rioja, Jerez, Rueda, Navarra, Bierzo,
Valdepeñas, Alella, Ribeiro, Penedés, Jumilla, Cariñena, Valladolid
and more...
Wines as varied as the landscape, customs and traditional fare of

Wines as varied as the landscape, customs and traditional fare of the country itself. With one thing in common: quality.

To know that is another way of getting to know Spain. And it's as easy to learn as it is to enjoy.

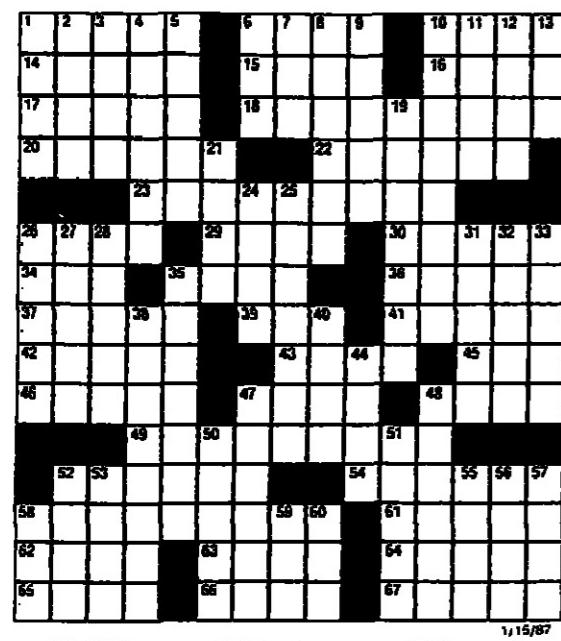
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ART BUCHWALD

Simplifying Tax Reform

WASHINGTON — I picked up my 1040 form at the IRS the other day and couldn't believe how complicated the instructions were.

"I thought you people were going to simplify things under the new tax reform bill."

The man behind the counter said: "Who told you that?"

"You did. You said you wanted to make life easier for the little taxpayer who bore the largest burden of financing the nation's debt."

"If we said that, we lied. In order to have a tough country, you have to have a tough tax return."

"I don't want you to make it too simple," I said. "But this is ridiculous. Neither Price nor Waterhouse can figure it out."

"Oh yes they can, but it takes a little ingenuity. Everyone thinks we can get from column 1 to column 7 without going through column b. It can't be done. You have to approach it like Rubik's Cube and then you can get the solution."

"Why did you make it so difficult in the first place?"

"Because too many people solved the 1985 form and it led us off. We were getting refund re-



quests from every state in the union. We believe we have taken out the guffees, and with luck not more than 1 percent of the population will get it right the first time around."

"What you are doing is encouraging people to make mistakes. Doesn't that bother you?"

"Not if the taxpayer is willing to pay for them. The reason the IRS makes its instructions so difficult is we want everyone to realize that paying taxes is a very serious matter and not a game for amateurs. We think our 1986 form does the job."

"Can't you at least give us some hints as to what figures go on what lines?"

"That would be cheating," he said.

"How can we be cheating when we want to pay you what we owe you? All we're looking for is guidance."

"That's the rub, son. If we tell you, we'll have to tell the next fellow, and pretty soon everyone will know how to fill out the IRS form. By adding mystery we can slow down the rate of returns so we can process them one at a time."

"Someone said you people work secretly for H&R Block, and that's why you won't simplify your returns."

"That's a lie, boy," he said angrily. "If we worked for Block we would have eliminated the short tax form years ago. The IRS works for the people. If you can't follow our instructions, there is nothing we can do about it."

"Suppose I forget to subtract line 34c from line 35 — what will you do to me?"

"It's an honest mistake, we'll take your house away. But if it's intentional, we'll have to resort to more serious action."

"How serious can you get?"

"Serious enough so that you'll be in the hands of one of our computers. You've never seen an IRS computer at work. It can add, subtract and command, all at the same time, and also send your refund check to Nome, Alaska. Once your return goes through our computer the game is over for you and anyone else."

"What happens if I get lucky and fill out the form correctly?"

"Then Ed McMahon will stay at your house for a week."

East Germany Returns Drawings

The Associated Press

ROTTERDAM — East Germany has given back to a Dutch museum 33 pen drawings and gouaches, including 10 done by the 15th-century German artist Albrecht Dürer, which were confiscated by the Nazis 45 years ago.

They were handed over to a Dutch delegation by Bernhard Neugebauer, the East German deputy foreign minister, Tuesday in East Berlin, according to Erik Beeker of Rotterdam's Boymans Museum.

The works are expected to arrive at the museum today, according to Beeker, who added that an exhibition of the works is scheduled to open on Feb. 22.

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'Stepping Out' With Tommy Tune

By Leslie Bennetts
New York Times Service

NEW YORK — Day after day, Tommy Tune had been trying to teach a tap-dancing routine to Don Amendola, a chubby, balding actor who had never danced before. Day after day Amendola clomped and clattered as he stumbled through segments of the routine.

And then one day he got it. As he tap-danced his way through the intricate steps, putting them all together for the first time, Tune, his eyes brimming, looked over at his dance captain. Tears were streaming down her cheeks.

That real-life reaction mirrored the typical audience response to "Stepping Out," a Golden Theater show — which Tune describes as "a play with dancing" — follows the progress of a most ungrateful group of aspiring tap-dancers, an adult education class rehearsing for a charity benefit. Taught in a North London church hall, the class ranges from a buxom middle-aged West Indian matron to a terrified do-gooder whose husband abuses her, and on the dance floor each is clumsy and out of step. An unlikable-looking group of dancers would be hard to find, but when they finally learn their routines for the high-stepping finale, the mismatched chorus line invariably prompts a rousing cheer from the audience.

"By the end I was laughing and crying at the same time, which I think is the secret of life and the magic of our existence on this planet. I do believe the magic lies between laughter and tears, and if you can get them at the same time, you're cooking. I thought, I have to do this piece."

Mounting the show was no small feat. Tune believed that the cast had to consist of non-dancers, and so he — like the tap-dancing teacher in "Stepping Out" — had only a few weeks to transform a bunch of bumbler into a precision-drilled chorus line.

"It would have been all wrong if they had known how to dance. They all learned during the six-week rehearsal process. We would spend half the day learning how to dance, and then I would say, 'Remember an hour ago when you didn't know how to do that? Well, remember that; remember the mistakes you made, because that's your scene as an actor.' They were like little children in tap shoes making real loud noises, but what I love is the honesty with



United Press International
Director Tune: "Every one of them is chosen."

which they do it. There's no artifice, no technique. They have nothing to fall back on, which is what makes it so compelling. When they dance, there's no safety net; each step could be the last."

Although the script is funny as well as moving, many of the most consistent laughs are elicited without a word spoken as the fledgling dancers struggle to learn to move.

"It's very different from the London production," Tune said. "The sets are entirely different, the cast is different of course, and the choreography and blocking are entirely different. But the heart of it — and the heart was 5 years old when he was enrolled in a dance class. He often staged shows and dance recitals in the family garage, but his childhood dream of becoming a ballet star was derailed by his unusual growth; by the time he

was in his early teens, he had already reached 6 feet 6 inches. Despite his height, Tune managed to launch his professional career as a chorus dancer, and won his first Tony award with "Two for the Seesaw" as best supporting actor in a musical.

These days, at the age of 47, he seems thrilled with his flexibility to work as both director and performer. "The whole reason I did 'My One and Only' was that I had knocked off five plays in a row that I'd directed. I had been extraordinarily lucky that they were all successful, but I needed a change to know what more I had to give as a director. I needed to step over and do the other for a while. One feeds the other, and each is a very different perspective on the thing."

"After having done 'My One and Only' for four years, I was ready to step back again. I think that's part of my value as a director; I know what it feels like to sit in your dressing room at half hour and start putting on your makeup. I know what they're feeling."

However, Tune did not want to return to Broadway to direct a lavish show. "What appealed to me about 'Stepping Out' was its human scale. It's a small, dear theater. I really didn't want to direct a big expensive scenery musical. I'm not interested in that; it's just not what I think I have to do, which is maybe to awaken something that might otherwise be lost in all that splash of glitz and spectacle. My directorial tastes are sort of strange; the things I perform and the things I direct are quite different. But this moved me, so I thought surely if it moves me, it's going to move somebody else."

Because it involves an emerging chorus line of dancers, each driven by his or her own doubts, fears and dreams, "Stepping Out" will inevitably be compared with "A Chorus Line." However, Tune found himself running to the telephone to consult his sister, a tap teacher in Fort Worth, Texas. "I'm with pros all the time and I wanted this to be to rank amateur," Tune explains.

Tune — whose family name has withstood several generations back — grew up in Houston, where his father serviced oil rigs and trained Tennessee Walking Horses. The young Tommy learned to imitate their gait at an early age, and by the time he was 5 he was enrolled in a dance class. He often staged shows and dance recitals in the family garage, but his childhood dream of becoming a ballet star was derailed by his unusual growth; by the time he

PEOPLE**Mrs. Thatcher Cheers Domingo in 'Otello'**

Prime Minister Margaret Thatcher led a sell-out audience in London Tuesday night to cheer Plácido Domingo singing the title role in a new production of Verdi's "Otello" at the Royal Opera House, Covent Garden. She sat in the royal box with her husband, Denis, and Sir Claus Moser, chairman of the Royal Opera, then went on the stage to greet the cast and production team, including Mata Kierkegaard, who sang Desdemona, Justino Diaz asago, the conductor Carlo Kleiber and William Motteau, the stage director. A dozen fans stayed up all night in freezing temperatures to be first in line for the 108 cheap tickets on sale Tuesday morning, while scalpers were getting up to £200 (\$300) for tickets.

Frank Sinatra is recovering in Rancho Mirage, California, from a follow-up operation to surgery last November in which a section of his large intestine was removed. Sinatra, 71, had the surgery at Eisenhower Medical Center after finishing a television taping in Hawaii. Sinatra underwent emergency surgery in early November after suffering an attack of acute diverticulitis that forced him to cancel a show in Atlantic City, New Jersey.

Richard Branson, the British who last year set a record for the fastest crossing of the Atlantic in a powerboat, says he will attempt the first Atlantic crossing by hot-air balloon this summer. Branson, head of the Virgin leisure and airline group, was immediately challenged to a race by the British balloon manufacturer Don Cameron. Branson said he accepted, provided Cameron agreed to his route from New York to Newfoundland and then across the Atlantic to England.

A Japanese-born writer, Kenzo Ishiguro, has won Britain's prestigious Whitbread Book of the Year award with his second novel, "An Artist of the Floating World." His prize is £18,500 (\$27,700). The book is set in Nagasaki after World War II. Born in Nagasaki, Ishiguro came to England with his parents when he was 6. He was educated at the universities of Canterbury and East Anglia.

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